

# First & Intermediate Lien Revenue Refunding Bonds Series 2026

June 9, 2026

# Introduction of Resolution No. 3850

- Sale and Issuance of First Lien Revenue Refunding Bonds, Series 2026
  - Refund outstanding 2016B First Lien Bonds for debt service savings
  - 2016B First Lien Bonds refunded prior 2007B First Lien Bonds, which were used to fund various Seaport capital investments
- Estimated present value savings if the savings targets are met is ~\$2.0 million
- 2026 bonds issued as Tax-Exempt, Private Activity Bonds
  - Not subject to regular federal income tax; subject to Alternative Minimum Tax (AMT)

# Additional Background

- Updated Port-wide forecasted debt service coverage levels decreased since POF
  - Decision to expedite the SCE project means debt required to be issued sooner, driving down coverage
- Refunding provides an opportunity to restructure future debt service and create financial flexibility
- Evaluating option to contribute General Fund cash toward 2016B Refunding (Seaport)
  - This effectively means we are paying down Seaport debt now that would otherwise be due in 2031-2032
  - Reduces the amount of refunding bonds needed thus lowering future debt service and increasing DS coverage in certain years
  - Cash contribution also results in lower overall debt service (interest) costs; increases long-term capital capacity and aligns with the Ports resource consciousness effort
- Cash contribution does not adversely impact the current Seaport capital plan and funding
  - General Fund cash balance is currently well above target and can be deployed early to pay debt
- Staff recommends that up to \$25.0 million may be contributed toward the refunding
  - Actual amount and specific maturities to be determined closer to the bond sale in early August

# Introduction of Resolution No. 3849

- Sale & Issuance of Intermediate Lien Revenue Refunding Bonds, Series 2026
  - Refund outstanding 2015C and 2016 Intermediate Lien Bonds for debt service savings
  - 2015C and 2016 Bonds funded or refunded capital investments at the airport
- Estimated present value savings if the savings targets are met is ~\$8.3 million
- 2026 Intermediate Lien Bonds expected to be issued in two series:
  - Tax-Exempt, Governmental Bonds
    - Investors are not subject to regular federal income tax
  - Tax-Exempt, Private Activity Bonds
    - Investors not subject to regular federal income tax, but subject to Alternative Minimum Tax (AMT)

# Resolutions No. 3849 & 3850

- Similar in all material respect to other First Lien & Intermediate Lien resolutions
  - Pursuant to their respective Lien Master Resolutions
  - Provides approval delegation to Executive Director, Deputy Executive Director or Chief Financial Officer
- Bonds will be sold by Port underwriting team led by Siebert Williams Shank & Co.
- Delegation Limits:
  - 2026 Intermediate Lien Bonds
    - Maximum Par Amount: \$250 million
    - Maximum Interest Rate: 4.5%
  - 2026 First Lien Bonds
    - Maximum Par Amount: \$70 million
    - Maximum Interest Rate: 4.5%
  - Bond sale must occur by June 23, 2027
  - Exceeding limits requires further authorization
  - Provides funding for bond issuance costs

# Next Steps

- Meetings with credit rating agencies July 6-10<sup>th</sup>
- Bond sale scheduled for August 5<sup>th</sup>
- Bond closing scheduled for August 20<sup>th</sup>

# Appendix - Original Bond Funded Projects

## 2015C and 2016 Intermediate Lien (Airport Projects)

### 2015C

- North Satellite renovation
- Checked baggage improvements
- Electrical infrastructure upgrades
- Gate improvements and reconfiguration
- Cargo 5 Hardstand & other airport projects

### 2016

- Third Runway Construction
- Airfield Pavement
- Airport Communication Systems
- Other airport projects

**Note:** 2016 Intermediate Lien Bonds refunded bonds originally issued in 2000

## 2016B First Lien (Seaport Projects)

- Terminal 91 New Cruise Terminal Redevelopment
- Pier 91 development
- Terminal 25/30 upgrades
- Terminal 18 Apron & Fender Upgrades
- Terminal 5 improvements
- Terminal 86 grain facility improvements

**Note:** 2016B First Bonds refunded 2007B First Lien Bonds